

RESOLUTION NO. 2015 - _____

A RESOLUTION APPROVING CERTAIN AGREEMENTS WITH SOUTH LOOP INVESTMENTS, LLC AND AN AFFILIATE THEREOF

WHEREAS, the City Council of the City of Bloomington (the “City”) is the official governing body of the City.

WHEREAS, the City, the Port Authority of the City of Bloomington (the “Port Authority”), and South Loop Investments, LLC, a Minnesota limited liability company (“SLI”), entered into a Purchase and Redevelopment Contract, dated December 10, 2014 (the “Original Redevelopment Contract”), which set forth the terms of redevelopment of certain property located within Industrial Development District No. 1 – South Loop District in the City (the “Development Property”).

WHEREAS, pursuant to the Original Redevelopment Contract, the Port Authority agreed to convey the Development Property to SLI, and SLI agreed to develop certain improvements thereon to be completed in two phases described therein as the “Minimum Improvements.”

WHEREAS, SLI intends to assign its rights related to the development of a portion of the Development Property to South Loop Investments 2, LLC, a Minnesota limited liability company and affiliate of SLI (“SLI 2”), pursuant to an Assignment and Assumption Agreement.

WHEREAS, the parties to the Original Redevelopment Contract have determined to amend certain provisions of the Original Development Contract relating to the development of the Minimum Improvements as more fully set forth in the First Amendment to Purchase and Redevelopment Contract (the “First Amendment to Redevelopment Contract,” and together with the Original Redevelopment Contract, the “Redevelopment Contract”) proposed to be entered

into between the Port Authority, the City, SLI, and SLI 2, a form of which is now on file with the City Council.

WHEREAS, there have also been presented before the City Council forms of the following documents: (i) the First Amendment to Redevelopment Contract; (ii) an Easement and Maintenance Agreement (the “Public Plaza Easement and Maintenance Agreement”) proposed to be entered into between City and SLI, relating to easements and the maintenance of the Public Plaza (as defined in the Redevelopment Contract); (iii) a Site Development Agreement (the “Site Development Agreement”) proposed to be entered into between the City, the Port Authority, and SLI, relating to the conditions for the City’s approval for certain aspects of the redevelopment of the Development Property; (iv) a Parking Lease and Management Agreement (the “Parking Lease and Management Agreement”) proposed to be entered into between the City, the Port Authority, and SLI, relating to the lease terms for the Parking Ramp and management of the Parking Ramp; (v) a Guaranty Agreement (the “Guaranty”) proposed to be entered into between David W. Peters, Terratron, Inc., and Mercury Investments Limited Partnership of Utah, as the guarantors, the City, and the Port Authority, relating to a guaranty for the financing and construction of the Coffee Shop and Restaurant (both as defined in the Redevelopment Contract); (vi) a Hotel Recapture Agreement (the “Hotel Recapture Agreement”) proposed to be entered into between the City, the Port Authority, and SLI, relating to the development of the Hotel (as defined in the Redevelopment Contract); (vii) an assignment of the Design Peer Review and Cost Review Contract (the “Design Peer Review Contract Assignment”) entered into between the City and LSA Design, Inc. (now merged with SRF), relating to the independent third-party review of certain structural components of the Minimum Improvements; and (viii) an Assignment and Subordination Agreement (the “Assignment and Subordination Agreement”),

proposed to be entered into between the Port Authority, the City, SLI, SLI 2, and U.S. Bank National Association (the “Lender”), the lender providing financing for the Hotel (as defined in the Redevelopment Contract), relating to the subordination of certain interests of the City and the Port Authority under the Redevelopment Contract and the assignment of certain rights of SLI and SLI 2, as the case may be, under the Redevelopment Contract, the Parking Ramp Development Agreement, and the Parking Lease and Management Agreement to the Lender.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLOOMINGTON that based upon the foregoing facts:

1. The First Amendment to Redevelopment Contract, the Public Plaza Easement and Maintenance Agreement, the Site Development Agreement, the Parking Lease and Management Agreement, the Guaranty, the Hotel Recapture Agreement, the Design Peer Review Contract Assignment, and the Assignment and Subordination Agreement are hereby in all respects authorized, approved and confirmed and the Mayor and City Manager are hereby authorized and directed to execute and deliver such documents for and on behalf of the City in substantially the form now on file with the City but with such modifications as shall be deemed necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

Passed and adopted this 1st day of September, 2015.

Mayor

ATTEST:

Secretary to the Council

The attached resolution was adopted by the City Council of the City of Bloomington on

The question was on the adoption of the resolution, and there were
_____ YEAS and _____ NAYS as follows:

COUNCILMEMBERS:	YEA	NAY	OTHER
Gene Winstead	_____	_____	_____
Cynthia Bemis Abrams	_____	_____	_____
Jack Baloga	_____	_____	_____
Tim Busse	_____	_____	_____
Andrew Carlson	_____	_____	_____
Dwayne Lowman	_____	_____	_____
Jon Oleson			

RESOLUTION ADOPTED.

ATTEST:

Secretary to the Council